



STATE OF WASHINGTON

OFFICE OF FINANCIAL MANAGEMENT

Insurance Building, PO Box 43113 • Olympia, Washington 98504-3113 • (360) 902-0555

AS APPROVED

To: Local Government Self Insurance
Property and Liability Advisory Board

From: John Nicholson
Local Government Self Insurance
Program Administrator

Subject: Property and Liability Advisory Board
December 19, 2005 Meeting Minutes

PROPERTY AND LIABILITY BOARD MEMBERS PRESENT

Allen Hatten	Washington State Transit Insurance Pool
Mark Kammers	Washington Governmental Entities Pool
Margaret Lesser	City of Bremerton
Glenn Sugiyama	City of Redmond

PROPERTY AND LIABILITY BOARD MEMBERS ABSENT

David Canfield	Canfield and Associates
----------------	-------------------------

EX OFFICIO PRESENT

John Nicholson	Office of Financial Management Risk Management Division
Christopher Carlson	Office of the Insurance Commissioner

GUESTS

Paul Chasco	Association of Washington Cities
Jim Chef	Canfield and Associates
Mary Ellen Combo	Senior Assistant Attorney General, Attorney General's Office
John Crawford	Canfield and Associates
Cheryl Duryea	Washington Governmental Entity Program
Ron Franz	Washington State Transportation Insurance Pool
David Hayasaka	Washington Schools Risk Management Pool
Vyrle Hill	Washington Counties Risk Pool
Don Johnsen	Office of Financial Management Risk Management Division
Eric Larson	Washington Cities Insurance Authority
Ray Lettus	Washington Schools Risk Management Pool
Lew Leigh	Washington Cities Insurance Authority
Roselyn Marcus	Office of Financial Management
Karlynn Parten	State Auditor's Office
Jim Rochel	SW Washington Risk Management Insurance Cooperative
Richard Rodruck	Public Utility Risk Management Services
Julius Scoggins	HARRP

CALL TO ORDER

Chair Lesser called meeting to order at 9:30 a.m.

APPROVAL OF PREVIOUS BOARD MEETING MINUTES

The Board approved the June 29, 2005 meeting minutes.

STAFF REPORT

John Nicholson thanked Al Hatten and Washington State Transit Insurance Pool staff for hosting the meeting. John then presented a plaque to Glenn Sugiyama and, with Chair Lesser, thanked Glenn for the time and expertise he brought to his service on the Board from 1998 through September 2005.

John noted he had also attended a recent Housing Authority Risk Retention Pool Board meeting at the occasion of Julius Scoggins retirement and presented a letter from Governor Gregoire recognizing Julius' public service. John also announced Governor Gregoire's continued commitment to a significantly increased role for risk management in state government policy, budgeting and operations with the appointment of Lucy Isaki, as Chief Senior Assistant Director for Risk Management and Contracts replacing recently retired Kathy Mix.

RISK POOL ASSOCIATE MEMBER DRAFT GUIDELINE

John Nicholson began the discussion of the second draft of the guideline for joint local government property and liability self insurance programs providing services to other entities. He emphasized State Risk Manager oversight continues to be consistently based on complying with legislative direction to 'liberally construe RCW 48.62 so as to grant LG's maximum flexibility in self insuring to the extent self insurance programs are operated in a safe and sound manner.' Both the State Auditor's Office and Office of the Insurance Commissioner would continue to be involved to assure consistency.

Mary Ellen Combo noted that much of the discussion on the guideline has resulted from an SAO audit of a local government risk pool which has long since discontinued associate member services to tribes. The current draft Guideline developed by the SRM/AGO provides that entities not specifically identified in RCW 48.62 cannot share risk with joint local government programs. However, it further provides that entities not identified in RCW 48.62 can purchase services under the authority of RCW 39.34, including insurance, through pools formed under RCW 48.62.

After further Board and audience discussion, it was agreed the draft would be discussed further with the Office of the Insurance Commissioner before adoption at the next meeting.

REVISION TO ADVISORY BOARD BY LAWS

John Nicholson discussed voting quorums on both the Property and Liability and Health and Welfare Advisory Boards and the long-standing exclusion of ex officio (Office of Insurance Commissioner and State Risk Manager) members from voting on issues before both boards. John noted the OIC representative on the Health and Welfare Advisory Board had for some time contended ex officio board membership did not limit powers, duties or voting rights and that ex officio members were entitled to vote on Board decisions.

The issue was referred to the Office of Financial Management Assistant Attorney General who found the governing statute, RCW 48.62, silent on ex officio member voting but identified a 1962 Attorney General Opinion confirming that, unless otherwise directed by statute, all advisory board members, including ex officio, are voting members. Concerns were raised that in the event either of the two joint pool board members were unable to attend a meeting, Board decisions could be made without appropriate joint pool representation. It was agreed Article 3 of the By Laws would be amended to provide that recommendations by the Property and Liability Board would require a quorum including at least two Board members representing joint self-insurance programs present.

NEXT MEETING

Next meeting date and place to be announced.

ADJOURN

The meeting adjourned 12:00 pm.